



**GREATER PENNSYLVANIA &
SOUTHERN WEST VIRGINIA CHAPTER**

Financial Statements and Report of
Independent Certified Public Accountants

**Make-A-Wish Foundation of Greater Pennsylvania
and Southern West Virginia**

August 31, 2008 and 2007





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Report of Independent Certified Public Accountants

The Board of Directors
Make-A-Wish Foundation of Greater Pennsylvania
and Southern West Virginia

We have audited the accompanying statements of financial position of the Make-A-Wish Foundation of Greater Pennsylvania and Southern West Virginia (the "Foundation") as of August 31, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Make-A-Wish Foundation of Greater Pennsylvania and Southern West Virginia as of August 31, 2008 and 2007, and its changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Cleveland, Ohio
December 15, 2008



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia
STATEMENTS OF FINANCIAL POSITION

August 31, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 554,872	\$ 696,903
Investments	4,681,217	4,535,637
Unconditional promises to give	504,241	561,193
Due from National Organization	32,782	20,022
Product inventories	23,519	34,240
Prepaid expenses	179,974	147,697
Cash and cash equivalents restricted for long-term purposes	228,000	266,353
Office furniture and equipment, net	<u>153,953</u>	<u>143,730</u>
Total Assets	<u><u>\$ 6,358,558</u></u>	<u><u>\$ 6,405,775</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 231,126	\$ 248,535
Accrued expenses	154,802	140,579
Accrued pending wish costs	1,278,317	1,226,177
Deferred revenue	<u>18,676</u>	<u>10,244</u>
Total liabilities	1,682,921	1,625,535
Commitments and contingencies	-	-
Net assets:		
Unrestricted	952,147	1,017,405
Temporarily restricted	1,544,189	1,590,442
Permanently restricted	<u>2,179,301</u>	<u>2,172,393</u>
Total net assets	<u>4,675,637</u>	<u>4,780,240</u>
Total Liabilities and Net Assets	<u><u>\$ 6,358,558</u></u>	<u><u>\$ 6,405,775</u></u>

The accompanying notes to financial statements are an integral part of this statement.



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia
STATEMENTS OF ACTIVITIES

For the year ended August 31, 2008 (with comparative totals for 2007)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>TOTAL 2008</u>	<u>TOTAL 2007</u>
REVENUES AND OTHER SUPPORT:					
Direct public support	\$ 1,222,853	\$ 1,925,864	\$ 11,480	\$ 3,160,197	\$ 2,915,601
Corporate gifts	372,916	136,327	-	509,243	469,252
Planned gifts	358,344	44,200	-	402,544	96,591
In-kind gifts	113,290	1,697,193	-	1,810,483	1,704,959
Grants	206,450	317,573	-	524,023	504,292
Internal special events	220,186	257,510	32,321	510,017	488,970
Less cost of direct benefit to donor	<u>(45,574)</u>	<u>(93,253)</u>	<u>-</u>	<u>(138,827)</u>	<u>(121,034)</u>
	174,612	164,257	32,321	371,190	367,936
External special events	91,253	422,331	18,550	532,134	577,594
Other income	9,480	-	-	9,480	8,587
Net assets released from restrictions	4,730,245	(4,730,245)	-	-	-
Investment return, net	<u>35,037</u>	<u>9,681</u>	<u>-</u>	<u>44,718</u>	<u>448,482</u>
Total Revenues and Other Support	7,314,480	(12,819)	62,351	7,364,012	7,093,294
EXPENSES:					
<i>Program Services:</i>					
Wish granting and program related support	<u>6,466,514</u>	<u>-</u>	<u>-</u>	<u>6,466,514</u>	<u>5,868,826</u>
<i>Total Program Services</i>	6,466,514	-	-	6,466,514	5,868,826
<i>Support Services:</i>					
Fund raising	722,822	-	-	722,822	730,413
Management and general	<u>339,213</u>	<u>-</u>	<u>-</u>	<u>339,213</u>	<u>353,834</u>
<i>Total Support Services</i>	<u>1,062,035</u>	<u>-</u>	<u>-</u>	<u>1,062,035</u>	<u>1,084,247</u>
Total Expenses	<u>7,528,549</u>	<u>-</u>	<u>-</u>	<u>7,528,549</u>	<u>6,953,073</u>
INCREASE (DECREASE) IN NET ASSETS	(214,069)	(12,819)	62,351	(164,537)	140,221
Net assets, beginning of year	1,017,405	1,590,442	2,172,393	4,780,240	4,640,019
Transfer of Northeast Pennsylvania net assets (Note A)	59,934	-	-	59,934	-
Transfer of net assets	<u>88,877</u>	<u>(33,434)</u>	<u>(55,443)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 952,147</u>	<u>\$ 1,544,189</u>	<u>\$ 2,179,301</u>	<u>\$ 4,675,637</u>	<u>\$ 4,780,240</u>

The accompanying notes to financial statements are an integral part of this statement.



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia

STATEMENT OF ACTIVITIES

For the year ended August 31, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL 2007
REVENUES AND OTHER SUPPORT:				
Direct public support	\$ 1,120,500	\$ 1,787,488	\$ 7,613	\$ 2,915,601
Corporate gifts	336,939	122,313	10,000	469,252
Planned gifts	96,591	-	-	96,591
In-kind gifts	201,979	1,502,980	-	1,704,959
Grants	118,742	385,550	-	504,292
Internal special events	259,079	229,891	-	488,970
Less cost of direct benefit to donor	(26,223)	(94,811)	-	(121,034)
	<u>232,856</u>	<u>135,080</u>	<u>-</u>	<u>367,936</u>
External special events	92,371	481,257	3,966	577,594
Other income	8,587	-	-	8,587
Net assets released from restrictions	4,151,635	(4,151,635)	-	-
Investment return, net	56,436	392,046	-	448,482
	<u>6,416,636</u>	<u>655,079</u>	<u>21,579</u>	<u>7,093,294</u>
Total Revenues and Other Support				
EXPENSES:				
<i>Program Services:</i>				
Wish granting and program related support	5,868,826	-	-	5,868,826
	<u>5,868,826</u>	<u>-</u>	<u>-</u>	<u>5,868,826</u>
<i>Total Program Services</i>				
<i>Support Services:</i>				
Fund raising	730,413	-	-	730,413
Management and general	353,834	-	-	353,834
	<u>1,084,247</u>	<u>-</u>	<u>-</u>	<u>1,084,247</u>
<i>Total Support Services</i>				
Total Expenses	<u>6,953,073</u>	<u>-</u>	<u>-</u>	<u>6,953,073</u>
INCREASE (DECREASE) IN NET ASSETS	(536,437)	655,079	21,579	140,221
Net assets, beginning of year	1,553,842	935,363	2,150,814	4,640,019
Transfer of net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 1,017,405</u>	<u>\$ 1,590,442</u>	<u>\$ 2,172,393</u>	<u>\$ 4,780,240</u>

The accompanying notes to financial statements are an integral part of this statement.



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia

STATEMENTS OF FUNCTIONAL EXPENSES

For the year ended August 31, 2008 (with comparative totals for 2007)

	Program Services	Support Services		TOTAL 2008	TOTAL 2007
	Wish granting and program related support	Fund raising	Management and general		
Direct costs of wishes	\$ 4,730,245	\$ -	\$ -	\$ 4,730,245	\$ 4,151,635
Salaries, payroll taxes, and benefits	1,193,189	481,104	250,121	1,924,414	1,830,738
Rent and utilities	120,845	38,511	23,812	183,168	216,861
Telephone	24,636	8,010	4,007	36,653	42,385
Office supplies	39,509	16,121	10,039	65,669	57,341
Postage and delivery	33,546	29,131	2,189	64,866	58,950
Professional fees	7,810	15,144	6,742	29,696	41,538
National assessment	163,088	32,188	19,313	214,589	181,563
Repair and maintenance	24,095	8,715	4,910	37,720	40,572
Meetings and conferences	8,713	9,415	3,621	21,749	29,418
Depreciation and amortization	36,408	12,914	8,001	57,323	52,071
Volunteer and outreach expenses	61,728	-	-	61,728	121,585
Printing	6,575	55,496	3,385	65,456	83,909
Miscellaneous	16,127	16,073	3,073	35,273	44,507
	\$ 6,466,514	\$ 722,822	\$ 339,213	\$ 7,528,549	\$ 6,953,073

The accompanying notes to financial statements are an integral part of these statements.



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended August 31, 2007

	Program Services	Support Services		TOTAL 2007
	Wish granting and program related support	Fund raising	Management and general	
Direct costs of wishes	\$ 4,151,635	\$ -	\$ -	\$ 4,151,635
Salaries, payroll taxes, and benefits	1,115,640	462,539	252,559	1,830,738
Rent and utilities	142,662	45,528	28,671	216,861
Telephone	27,638	9,456	5,291	42,385
Office supplies	32,675	15,729	8,937	57,341
Postage and delivery	25,515	30,712	2,723	58,950
Professional fees	16,021	15,738	9,779	41,538
National assessment	137,988	27,234	16,341	181,563
Repair and maintenance	25,597	9,357	5,618	40,572
Meetings and conferences	11,437	13,891	4,090	29,418
Depreciation and amortization	32,474	11,925	7,672	52,071
Volunteer and outreach expenses	121,585	-	-	121,585
Printing	7,098	69,534	7,277	83,909
Miscellaneous	20,861	18,770	4,876	44,507
	\$ 5,868,826	\$ 730,413	\$ 353,834	\$ 6,953,073

The accompanying notes to financial statements are an integral part of this statement.



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia
STATEMENTS OF CASH FLOWS
For the years ended August 31, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (164,537)	\$ 140,221
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	57,323	52,071
Net realized and unrealized losses (gains) on investments	139,732	(271,167)
Transfer of cash from Northeast Pennsylvania	59,934	-
Decrease (increase) in unconditional promises to give	44,192	175,279
Membership assessment affiliation fee paid by reducing the note receivable due from National Organization	-	100,000
Decrease (increase) in product inventories	10,721	(6,220)
(Increase) decrease in prepaid expenses	(32,277)	17,371
(Decrease) increase in accounts payable	(17,409)	42,710
Increase in accrued expenses	14,223	72,482
Increase in accrued pending wish costs	52,140	26,502
Increase (decrease) in deferred revenue	8,432	(8,408)
Net cash provided by operating activities	172,474	340,841
Cash flows from investing activities:		
Purchases of investments	(2,016,156)	(1,725,163)
Sales of investments	1,730,845	1,735,376
Purchases of office furniture and equipment	(67,547)	(53,192)
Net (increase) decrease in cash and cash equivalents restricted for long term purposes	38,353	(92,999)
Net cash used in investing activities	(314,505)	(135,978)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(142,031)	204,863
Cash and cash equivalents, beginning of year	696,903	492,040
Cash and cash equivalents, end of year	\$ 554,872	\$ 696,903

The accompanying notes to financial statements are an integral part of these statements.



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia
NOTES TO FINANCIAL STATEMENTS
August 31, 2008 and 2007

NOTE A – ORGANIZATION

Nature of Activities

The Make-A-Wish Foundation of Greater Pennsylvania and Southern West Virginia (Foundation), formerly known as the Make-A-Wish Foundation of Western Pennsylvania and Southern West Virginia, is a Pennsylvania non-profit corporation, organized for the purpose of granting wishes to children with life-threatening medical conditions. The Foundation is an independently operating chapter of Make-A-Wish Foundation of America (National Organization) which is obligated to develop and implement national programs in public relations and fund raising for the benefit of all local chapters. In addition, the local chapter is obligated to comply with the National Organization's bylaws, chapter agreement and such guidelines, resolutions and policies as may be adopted by the National Board.

The Foundation granted its first wish in 1983. For the year ended August 31, 2008, the Foundation granted 728 wishes at an average cost per wish of approximately \$6,300 which includes cash and in-kind donations.

In 2005, the National Organization approved the reassignment of the territory covered by Make-A-Wish Foundation of Northeast Pennsylvania (NEPA), to the Foundation. In connection with the reassignment, the National Organization entered into a Plan of Complete Liquidation and Voluntary Dissolution under which NEPA shall dissolve its corporate existence, discharge its liabilities, and contribute its remaining net assets to the Foundation.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Basis of Presentation

The financial statement presentation follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2008 and 2007

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transfer of Net Assets

Temporarily restricted net assets of \$33,434 and permanently restricted net assets of \$55,443 were transferred to unrestricted net assets during the year ended August 31, 2008, to reflect the release of restrictions by the donors. No net assets were released from restrictions by donors for the year ended August 31, 2007.

Donated Services and Materials

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt. The Foundation received services and material donations, including rent, which are included in the accompanying Statement of Activities at estimated fair market values of approximately \$1.8 million and \$1.7 million in 2008 and 2007, respectively.

Cash Equivalents

For purposes of the Statements of Cash Flows, the Foundation considers unrestricted or short-term temporarily restricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for purposes of the Statement of Cash Flows. Applicable amounts have been classified as cash and cash equivalents restricted for long-term purposes on the Statement of Financial Position.

Investments

The Foundation accounts for investments in accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Realized and unrealized investment gains and losses are included in the Statement of Activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Contributions

The Foundation accounts for contributions in accordance with SFAS No. 116. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets.



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2008 and 2007

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Unconditional promises to give are recognized as revenues or support in the period the promise is received. Unconditional promises to give which are due in the next year are recorded at their net realizable value. Unconditional promises to give in subsequent years are recorded at the present value of their net realizable value using an appropriate discount rate commensurate with the risks involved. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Product Inventories

Product inventories consist of brochures, photography supplies, and other printed materials. These inventories are recorded at cost using the first-in first-out method.

Office Furniture and Equipment

Office furniture and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided on the straight-line basis over the estimated useful life of the respective assets ranging from three to seven years. Leasehold improvements are recorded at cost and amortized over the shorter of the asset's useful life or the lease term.

Accrued Pending Wish Costs

The Foundation accrues for the estimated costs of reportable pending wishes when five certain, measurable wish criteria are met. Reportable pending wish criteria as of August 31, 2008 include receiving a referral, obtaining the medical eligibility form, contact with the wish family to determine the wish, approval by the local chapter through its normal process, and that the wish is expected to be granted within the next fiscal year.

Reportable pending wish criteria as of August 31, 2008, are the same with the exception of the approval by the local chapter through its normal process. During 2008, the National Organization provided more specific guidance on the intent of this criteria. The criteria change ensures that wishes fall within the National Organization's wish granting policy rather than focusing on approval processes that vary across chapters. As of August 31, 2008, the Foundation had 452 total pending wishes, of which 203 are reportable accrued pending wishes included in the Statement of Financial Position.

Deferred Revenue

Deferred revenue represents funding received for special events in advance of the special event taking place.



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2008 and 2007

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Foundation has received a favorable determination letter from the Internal Revenue Service dated September 22, 2006 stating that it is exempt from taxation on income related to its exempt purpose under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Foundation has been classified as an organization that is not a private foundation within the meaning of Section 509(a)(1) of the Code. The Foundation is exempt from taxation for the Commonwealth of Pennsylvania and the State of West Virginia. The Foundation believes it is currently designed and being operated in compliance with the applicable requirements of the Code.

Trusts and Wills

The Foundation, from time to time, is named as a beneficiary in certain conditional revocable wills and trusts. The Foundation does not hold the rights to the underlying assets of these wills and trusts and, accordingly, does not record their value in the Statement of Financial Position and Statement of Activities.

Functional Expenses

The Foundation performs the following three functions:

Wish Granting and Program Related Support: Activities performed by the Foundation which fulfills wishes to children between the ages of 2½ and 18 with diagnosed life-threatening medical conditions and which promote the development of wish resources, administration of the wish program, handling of wish referrals, wish assistance for chapters, and out-of-territory wish placement.

Fund Raising: Activities performed by the Foundation to generate funds and resources to support its programs and operations. During the fiscal years ended August 31, 2008 and 2007, the Foundation incurred no material joint costs for activities that included fund raising appeals.

Management and General: All costs not identifiable with a single program or fund raising activity, but indispensable to the conduct of such programs and activities and to the Foundation's existence. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment and other general overhead.

Expenses which benefit more than one function of the Foundation are allocated among the functions based upon time studies or square footage.



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia

NOTES TO FINANCIAL STATEMENTS – CONTINUED

August 31, 2008 and 2007

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at August 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Unrestricted – available for operating expenses	\$554,872	\$696,903
Restricted for long-term purposes	<u>228,000</u>	<u>266,353</u>
	<u>\$782,872</u>	<u>\$963,256</u>

The Foundation maintains its cash balances in several financial institutions located in Pennsylvania and West Virginia. The Federal Deposit Insurance Corporation (FDIC) insures bank balances of up to \$100,000 per institution. Of the aggregate \$271,713 bank balances at August 31, 2008, \$186,976 was insured by the FDIC and a total of \$84,737 was in excess of the insured limitations.

Included in cash and cash equivalents at August 31, 2008 and 2007, are money market funds of \$598,417 and \$729,644, respectively, which were not covered by the FDIC.

NOTE D – INVESTMENTS

Investments are presented in the financial statements at market value for August 31, 2008 and 2007, as follows:

	<u>2008</u>	<u>2007</u>
Unrestricted – available for operating expenses	\$1,474,489	\$1,285,058
Restricted for long-term purposes	<u>3,206,728</u>	<u>3,250,579</u>
	<u>\$4,681,217</u>	<u>\$4,535,637</u>



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2008 and 2007

NOTE D – INVESTMENTS (Continued)

Investments consisted of the following at August 31, 2008 and 2007:

	2008		
	Cost	Market	Net Unrealized Gain
Corporate stocks	\$1,282,322	\$1,363,100	\$80,778
Corporate bonds	853,608	861,515	7,907
Mutual funds	406,243	421,227	14,984
U.S. government obligations	1,974,811	2,035,375	60,564
	<u>\$4,516,984</u>	<u>\$4,681,217</u>	<u>\$164,233</u>
	2007		
	Cost	Market	Net Unrealized Gain
Corporate stocks	\$1,251,093	\$1,378,140	\$127,047
Corporate bonds	521,585	525,664	4,079
Mutual funds	393,052	510,227	117,175
U.S. government obligations	2,118,161	2,121,606	3,445
	<u>\$4,283,891</u>	<u>\$4,535,637</u>	<u>\$251,746</u>

The following schedule summarizes net investment return and its classification in the Statement of Activities for the year ended August 31, 2008 and 2007:

	2008		
	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$35,037	\$185,056	\$220,093
Net realized and unrealized losses	-	(139,732)	(139,732)
Investment administrative fees	-	(35,643)	(35,643)
	<u>\$35,037</u>	<u>\$9,681</u>	<u>\$44,718</u>
	2007		
	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$56,436	\$153,747	\$210,183
Net realized and unrealized gains	-	271,167	271,167
Investment administrative fees	-	(32,868)	(32,868)
	<u>\$56,436</u>	<u>\$392,046</u>	<u>\$448,482</u>



Make-A-Wish Foundation of
Greater Pennsylvania and Southern West Virginia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2008 and 2007

NOTE E – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at August 31, 2008 and 2007 are primarily made by foundations, corporations, and individuals in all the areas served by the Foundation and are deemed fully collectible by management.

NOTE F – OFFICE FURNITURE AND FIXTURES

A summary of office furniture and equipment as of August 31, 2008 and 2007 follows:

	<u>2008</u>	<u>2007</u>
Office furniture and fixtures	\$ 167,810	\$ 131,929
Other equipment	227,536	198,388
Leasehold improvements	<u>62,722</u>	<u>60,205</u>
	458,068	390,522
Less accumulated depreciation and amortization	<u>(304,115)</u>	<u>(246,792)</u>
Office furniture and equipment, net	<u>\$ 153,953</u>	<u>\$ 143,730</u>

NOTE G – TRANSACTIONS WITH THE NATIONAL ORGANIZATION

For fiscal years 2008 and 2007, the Foundation paid the National Organization an annual membership assessment affiliation fee representing 5% and 4%, respectively, of adjusted total support and revenue as defined in the Chapter Agreement. Such fees for 2008 and 2007 were \$214,589 and \$181,563, respectively. The percentage increase in annual membership assessment affiliation fee represents a commitment by the National Organization to pay the Foundation General Liability Insurance Directors and Officers Liability Insurance and the annual audit fee.

Amounts due from the National Organization of \$32,782 and \$20,022 at August 31, 2008 and 2007, respectively, are for contributions received by the National Organization on behalf of the Foundation, that are restricted for purposes of wish granting.

NOTE H – COMMITMENTS AND CONTINGENCIES

The Foundation leases seven office facilities under various noncancelable operating leases which expire through July 31, 2021. The leases provide for aggregate monthly rental payments of \$12,795. The Foundation also receives donated rent, the fair market value of which is recorded as an in-kind contribution and expense to the Foundation. Rent expense for all leases was \$156,888 (including \$22,608 of in-kind contributions) in 2008 and \$166,990 (including \$44,412 of in-kind contributions) in 2007.



Make-A-Wish Foundation of
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2008 and 2007

NOTE H – COMMITMENTS AND CONTINGENCIES (Continued)

Commitments for future rental payments under all operating leases are as follows:

For the Fiscal Years Ending August 31,	
2009	\$ 142,791
2010	140,627
2011	132,879
2012	130,009
2013	136,945
Thereafter	<u>1,152,239</u>
	<u>\$1,835,490</u>

The Foundation could be subject to legal proceedings and claims that arise in the ordinary course of its business. As of August 31, 2008, management is not aware of any pending litigation to which the Foundation is a party.

NOTE I – RESTRICTED NET ASSETS

Temporarily restricted net assets of \$1,544,189 and \$1,590,442 at August 31, 2008 and 2007, respectively, consisted of amounts restricted for granting wishes. Temporarily restricted net assets of \$4,730,245 and \$4,151,635 were released as donor stipulations for granting wishes were met during the fiscal years ended August 31, 2008 and 2007, respectively.

Permanently restricted net assets at August 31, 2008 and 2007, totaling \$2,179,301 and \$2,172,393, respectively, consist of assets to be held in perpetuity. The income from these assets may be used to support various activities of the Foundation. In accordance with SFAS No. 124, permanently restricted net assets have been recorded at historic dollar value and unrealized gains and losses on the underlying investments have been reflected as an increase or decrease to unrestricted or temporarily restricted net assets, depending on the donor's stipulation.

NOTE J – RETIREMENT PLAN

The Foundation has a defined contribution retirement plan. Employees are eligible for participation in the plan after reaching age 21 and completing three months of service. The Foundation contributes up to 4% of each participant's gross wages as determined by years of service. Retirement plan expense of \$63,661 and \$60,212 for the years ended August 31, 2008 and 2007, respectively, is included in management and general expenses on the Statements of Activities.



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NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2008 and 2007

NOTE K – RISKS AND UNCERTAINTIES

The Chapter invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, overall market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the chapter's account balances and the amounts reported in the statements of financial position.